

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL MEMORANDUM**

**HB 2000 – SB 1710**

April 5, 2011

**SUMMARY OF AMENDMENT (005806):** Revises recently enacted processes for state procurement of goods and services. Delays the implementation of the Procurement Act, Public Acts 2010, Public Chapter 1098, from October 1, 2011, until April 1, 2012. Eliminates the definition of “bidder,” and defines “proposer” for the purposes of state procurement. Requires the Procurement Commission to adopt procedures for and the chief procurement officer to keep permanent records of all proceedings. Requires submission of draft rules to the Commission prior to submission to the Secretary of State. Eliminates the requirement that there be a Commission chair, vice chair, and secretary. Requires the Advisory Council to be established by November 1, 2011, rather than October 1, 2011. Requires the Commissioner of the Department of General Services (DGS) to appoint one representative, rather than two, from a state agency, and to appoint the representative from DGS, who is currently appointed by the Commissioner of the Department of Finance and Administration (DOFA). Eliminates all March 1 appointment dates and replaces them with November 1 appointment dates. Eliminates all February 28 term expiration dates and replaces them with October 31 term expiration dates. Requires the Governor to appoint the chief procurement officer by July 1, 2011, rather than March 31, 2011. Requires the single public Internet procurement website to be established by January 1, 2012, rather than July 1, 2011. Eliminates the resale of surplus property provisions relating to vocational and technical schools, and the corresponding notice requirements. Eliminates references to the “Department of General Services” and replaces them with “Procurement Commission” for the purposes of state procurement. Eliminates the requirement that requests to procure services through non-competitive contracts be contemporaneously filed with the Fiscal Review Committee of the General Assembly and the Commissioner of Finance and Administration.

**FISCAL IMPACT OF ORIGINAL BILL:**

Increase State Expenditures - \$80,000/One-Time  
\$531,000/Recurring

Funding for this bill in the amount of \$611,000 is included in the Governor's proposed FY11-12 budget.

**HB 2000 – SB 1710**

## **FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Unchanged from the original fiscal note.**

Assumptions applied to amendment:

- According to the Department of Finance and Administration, the development of the Grant and Sub-Grant Recipient Database will result in a one-time increase in state expenditures of \$80,000.
- Four staff members will comprise the Office of the Chief Procurement Officer (CPO). The staff members are the CPO, Deputy CPO, Chief Compliance Officer, and one administrative assistant. The recurring increase in state expenditures will be \$531,000 (\$339,840 salaries + \$191,160 benefits).

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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